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PRESS RELEASE

CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 31 MARCH 2023 APPROVED

STRONG GROWTH IN CONSOLIDATED REVENUES (+29.5% vs Q1 2022) MAINLY THANKS TO STRATEGIC INITIATIVES

MARKED IMPROVEMENT OF KEY PROFITABILITY INDICATORS

THE COMPANY'S INTERNATIONAL DEVELOPMENT CONTINUES, WITH FOREIGN SALES APPROACHING 60% OF TOTAL REVENUES

- ***Revenue from sales*** *of Euro 30.2 million (Euro 23.3 million at 31 March 2022).*
- ***Adjusted EBITDA***[1] *of Euro +0.5 million (Euro -0.6 million in the period ended 31 March 2022).*
- ***Adjusted Net Profit***[2] *of Euro -1.0 million (Euro -1.3 million in the period ended 31 March 2022).*
- ***Net financial indebtedness*** *of Euro 48.0 million (Euro 40.4 million as at 31 December 2022), mainly due to the acquisition of Peter Jäckel GmbH, entry costs in certain distribution markets, as well as the increase in working capital due to revenue growth and the seasonality cycle of payments.*

Reggio Emilia, 10 May 2023 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or the "**Company**" or the "**Group**"), a European leader in the sector of accessories for smartphones and tablets listed on the Euronext STAR Milan, today examined and approved the Consolidated Interim Financial Report as at 31 March 2023.

Marco Cagnetta, Board Member and General Manager Sales and Marketing of the Cellularline Group, *"In the first three months of 2023, the strong growth in Group revenues, which had already characterised the previous year, continued.*
We are vigorously pursuing our globalisation strategy, focusing on key markets showing excellent development potential, such as Germany and the Middle East: the acquisition of the German company Peter Jäckel, as well as the distribution agreement with MediaMarktSaturn Germany, and the progress made in other geographies have given particular impetus to growth in these markets, allowing foreign revenues to reach a 60% share of the Group's total.
The trend of the main profitability indicators was positive compared to the same period last year, although actual results still scarcely reflect the improvement in transport costs and the favourable impact of exchange rates.

[1] Adjusted EBITDA is calculated as EBITDA adjusted for: *i*) non-recurring charges/(income), *ii*) the effects of non-recurring events, *iii*), events relating to extraordinary transactions and *iv*) operating foreign exchange gains/(losses).

[2] *Adjusted Net Result* is calculated as adjusted Result of the Period of the *i*) adjustments incorporated in Adjusted EBITDA, *ii*) adjustments of amortisation and depreciation relating to the Purchase Price Allocation, *iii*) adjustments of non-recurring financial charges/(income) and *iv*) the theoretical tax impact of these adjustments.

Overview of Q1 2023

The first quarter of the current year ended on a positive note thanks to the numerous initiatives undertaken by the management, including the Group's strategic developments in the German market, which is the largest in Europe, through the acquisition of a majority stake in the German company Peter Jäckel and the distribution agreement with MediaMarktSaturn Germany.

Analysis of consolidated revenue

In the first quarter of 2023, the Group's **sales revenues** totalled Euro 30.2 million, a clear rise (+29.5%) on the same period last year.

Revenue by product line

The table below shows sales by product line:

Euro millions	Reference period				Change	
	Q1 2023	**% of revenue**	**Q1 2022**	**% of revenue**	**Value**	**%**
Red – Italy	7.8	25.8%	7.1	30.4%	0.7	9.8%
Red – International	16.8	55.6%	11.0	46.9%	5.8	53.3%
Revenue from sales - Red	**24.6**	**81.3%**	**18.1**	**77.3%**	**6.5**	**35.8%**
Black – Italy	0.7	2.3%	0.6	2.8%	0.1	15.4%
Black – International	0.6	2.1%	0.6	2.6%	0.0	0.0%
Revenues from Sales - Black	**1.3**	**4.5%**	**1.2**	**5.2%**	**0.1**	**8.3%**
Blue – Italy	3.7	12.1%	2.5	10.5%	1.2	48.9%
Blue – International	0.6	2.1%	1.5	6.3%	(0.8)	-57.1%
Revenues from Sales - Blue	**4.3**	**14.2%**	**3.9**	**16.8%**	**0.4**	**9.3%**
Others	0.0	0.0%	0.1	0.4%	(0.1)	-94.0%
Total Revenues from Sales	**30.2**	**100.0%**	**23.3**	**100.0%**	**6.9**	**29.5%**

The analysis of sales for the individual product lines shows that:

- the **Red Line**, which represents the core business through the marketing of accessories for smartphones and tablets and the audio products of the **Group's proprietary brands** [3], accounted for more than two thirds of the performance for the period, recording a rise of 35.8% (Euro 6.5 million). The performance is driven by the recovery of demand in the international markets for the products of both Cellularline and Worldconnect, which benefited from the further increase in traffic in the Airport Travel Retail channel; the contribution of the newly acquired Peter Jäckel amounted to Euro 1.2 million;
- the **Black Line**, which primarily includes Interphone branded motorcycle accessories, was Euro 1.3 million, showing growth compared with the same period of the previous year (Euro 1.2 million);
- the **Blue Line**, dedicated to the sale of **third-party brand** products in distribution, amounted to Euro 4.3 million, with an overall net growth of 9.3%, compared to the same period of the previous year, mainly driven by the domestic market.

[3] Cellularline, AQL, MusicSound, Ploos+, Skross, Q2Power, Nova, Coverlab, Allogio, *Peter Jäckel.*

Revenue by geographical area

The table below shows sales by geographical area:

Euro millions	Reference period				Change	
	Q1 2023	% of revenue	Q1 2022	% of revenue	Value	%
Italy	12.1	40.2%	10.3	44.2%	1.8	17.9%
Main European markets	15.7	51.9%	12.0	51.5%	3.7	30.7%
Other countries	2.4	7.9%	1.0	4.4%	1.4	140%
Total Revenues from Sales	**30.2**	**100%**	**23.3**	**100%**	**6.9**	**29.5%**

Regarding the analysis by geographical area, it should be noted that in the first quarter **international markets** accounted for approximately 60% of total sales, thanks to the strong growth registered in the period, also considering the clear growth of the domestic market (+17.9% on Q1 2022).
All markets recorded increased performance, with the Germany/Austria area in particular, which more than tripled its revenues in the period; performance in Switzerland and Great Britain was also very positive.

Analysis of operating profit and consolidated net profit

Turning to an analysis of costs in the first quarter 2023:

- the **Cost of sales**[4], amounting to Euro 19.9 million, showed a slight improvement over the same period of the previous year in terms of percentage of sales (65.7% vs 66.1%);
- **Costs of Sale and Distribution**, **General and Administrative Costs** and **Other Non-Operating Costs/Revenues** amounted to Euro 13.2 million in the period under review and accounted for 43.8% of revenue in the period, compared to Euro 11.7 million in the first quarter of the previous year (50.0% of revenue), as a direct consequence of the higher absorption of fixed costs due to the strong growth in revenue in the period.
  The total of the above structural costs, adjusted for impacts: *i*) Purchase Price Allocation[5] (Euro 1.6 million), *ii*) D&As (Euro 1.4 million) and *iii*) Extraordinary expenses (Euro 0.3 million), totalled Euro 9.8 million, or 33% of consolidated revenues (Euro 8.5 million in Q1 2022, or 36% of consolidated revenues).

Adjusted EBITDA (Adjusted operating income) came to Euro 0.5 million, up Euro 1.1 million compared to the same period of the previous year, with a recovery in margins of more than four percentage points (+1.6% Q1 2023 vs -2.5% Q1 2022). We remark the lower absorption of fixed costs in the first quarter of the year, due to the seasonality of the business.

Net Financial Income and Expense in the first quarter of 2023 amounted to - Euro 0.8 million, compared to a positive result of Euro 0.1 million in the first quarter of 2022; the negative result was mainly due to the increase in interest rates and lower positive differences on currency hedging contracts, as a result of the different trend in the Euro/American Dollar ratio.

The **Adjusted Net Result** for the period was Euro -1.0 million, an improvement of Euro 0.3 million compared to the first quarter of 2022, mainly due to the higher percentage margin in the period described above.

[4] For the purpose of a better presentation of the company's results, the transport costs associated with material purchases were subdivided from transport on sales and classified under "*Cost of Sales*"; for consistency, the 2022 figures have been reclassified accordingly.
[5] The purchase price allocation mainly originated from the accounting effects of the business combination in June 2018 and the acquisitions of Systema, Worldconnect and Coverlab.

Analysis of consolidated net debt

Net financial indebtedness, which amounted to Euro 48.0 million as of 31 March 2023 (Euro 40.4 million as of 31 December 2022), increased mainly due to the effect of the acquisition of 60% of *Peter Jäckel* GmbH, which accounted for a total of Euro 4.4 million (including the disbursement for the purchase of the shares and a preliminary put&call valuation for the remaining 40%, net of the cash in the investee's balance sheet), entry costs in certain distribution markets, as well as normal seasonal trends.
The leverage ratio, calculated as the ratio of net financial indebtedness to adjusted EBITDA for the last 12 months, is 2.7x.

Significant events in Q1 2023

- **9 January**: the Board of Directors appointed Marco Cagnetta as interim Investor Relator of the Company;
- **11 January**: signing of the closing for the acquisition of 60% of the company Peter Jäckel GmbH, a major German player operating for over 25 years with leading consumer electronics companies in the smartphone accessories segment. The stipulated agreement provides for the right to exercise put-and-call options on the minority shareholding of a total of 40% divided into two tranches, the amount of which for each tranche will be calculated taking into account economic-financial parameters recorded by Peter Jäckel GmbH during the financial years 2024 and 2025.
- **12 January 2023:** Mauro Borgogno appointed as the new Group Chief Financial Officer and Manager in charge of drafting corporate accounting documents, pursuant to Article 154-*bis* of the Consolidated Law on Financial Intermediation, to replace Davide Danieli, who had tendered his resignation for personal reasons, while maintaining his position as member of the Company's Board of Directors.
- **28 February 2023:** formalisation of a three-year agreement with MediaMarktSaturn Germany, the leading retail distributor of consumer electronics products in Germany, strategically focused on the shopping experience, with services and a selection of related accessories; the agreement expands the distribution of Cellularline's range of products dedicated to charging and protecting smartphones in MediaMarktSaturn Germany's approximately 400 German shops.

Significant events after 31 March 2023

- **28 April**: the Shareholders' Meeting approved all the items on the agenda and, in particular:
  i. the separate and consolidated financial statements as at 31 December 2022, as proposed by the Board of Directors on 15 March 2023;
  ii. the distribution of a dividend through the assignment of treasury shares held in the portfolio at a ratio of 1 share for every 28 ordinary shares of Cellularline S.p.A. (rounded down to the nearest unit), for a total maximum of 743,499 shares (corresponding to 3.40% of the share capital; dividend yield 3.6%) that can be entirely withdrawn from the treasury shares held by the Company, with a consequent reduction in the related Reserve. The resolution on the dividend distribution schedule is as follows: ex-dividend date 22 May 2023; payment entitlement date 23 May 2023; payment date 24 May 2023;
  iii. appointment of the new Board of Directors and new Board of Statutory Auditors, which will remain in office for three financial years, until the Shareholders' Meeting to be convened for the approval of the parent financial statements at 31 December 2025. Antonio Luigi Tazartes confirmed as Chairman of the Board of Directors.

- **4 May:** inauguration of the new Board of Directors for the attribution of powers and appointment of Committees, which, in view of continuity, confirmed Christian Aleotti as Deputy Chairman and Chief Executive Officer, with the office also of General Manager, and attributed operating powers to Marco Cagnetta; Independent Directors were identified and members of the board committees were appointed.

Outlook

The Group expects to maintain a significant sales growth rate in the coming months, due to both the good sales initiatives undertaken and the distribution expansion in certain areas on the international market.

It is forecast that this growth will be progressively accompanied by the improvement of some cost components, with likely positive effects on margins.

Legal statements

The Manager responsible for preparing the financial information, Mauro Borgogno, states, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act, that the financial reporting in this press release corresponds with the documentary records, ledgers and accounting entries.

The following are appended:

- **Annex A**: the IFRS financial statements of the consolidated interim financial report as at 31 March 2023, examined and approved by the Board today;
- **Annex B**: the consolidated income statement, reclassified as deemed more representative of the Group's operating profitability by the management.

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Analyst conference call

Management will present the consolidated results as at 31 March 2023 to the financial community during a conference call to be held on 11 May 2023 at 09:30 CET.
To participate in the conference call, dial: +39 02 36213011
The slides from the presentation and any supporting material will be available before the start of the conference call, on the site www.cellularlinegroup.com/investors/presentazioni.

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In accordance with applicable regulations, this consolidated interim financial report at 31 March 2023 is available from the Company's registered office and may be consulted on its website at the address www.cellularlinegroup.com, in addition to the authorised storage facility “1infostorage” operated by Computershare S.p.A. at the address www.1info.it.

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*Cellularline S.p.A., founded in Reggio Emilia in 1990, is, together with its brands **Cellularline, PLOOS, AQL, MusicSound, Interphone, Nova, Skross, Coverlab, Allogio e Peter Jäckel**, the leading company in the smartphone and tablet accessories sector. The Group is at the technological and creative forefront of the multimedia device accessories industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience. The Group currently has 250 employees. Cellularline brand products are sold in over 60 countries.*

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ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(In thousands of Euro)	**Balance as at 31 March 2023**	**Of which related parties**	**%**	**Balance as at 31 December 2022**	**Of which related parties**	**%**
ASSETS						
Intangible assets	52,975		*23,2%*	54,826		*25,4%*
Goodwill	37,641		*16,5%*	34,272		*15,9%*
Property, plant and equipment	7,644		*3,3%*	7,726		*3,6%*
Equity investments in associates and other companies	71		*0,0%*	71		*0,0%*
Deferred tax assets	6,529		*2,9%*	5,122		*2,4%*
Other assets (non-current)	4,026		*1,8%*	4,388		*2,0%*
Total non-current assets	**108,886**		*47,6%*	**106,405**		***49,4%***
Inventories	47,359		*20,7%*	41,400		*19,2%*
Trade receivables	50,991	4,035	*22,3%*	53,291	3,707	*24,7%*
Current tax assets	1,099		*0,5%*	970		*0,5%*
Financial assets	634		*0,3%*	75		*0,0%*
Other assets	9,452		*4,1%*	3,371		*1,6%*
Cash and cash equivalents	10,335		*4,5%*	9,916		*4,6%*
Total current assets	**119,870**		*52,4%*	**109,023**		*50,6%*
TOTAL ASSETS	**228,756**		*100,0%*	**215,428**		*100,0%*
Share capital	21,343		*9,3%*	21,343		*9,9%*
Other reserves	168,260		*73,6%*	168,737		*78,3%*
Retained earnings	(59,344)		*-25,9%*	15,554		*7,2%*
Profit/(loss) attributable to owners of the parent	(2,429)		*-1,1%*	(75,166)		*-34,9%*
Equity attributable to owners of the parent	**127,830**		*55,9%*	**130,468**		***60,6%***
Equity attributable to non-controlling interests	0		*0,0%*	0		*0,0%*
Total Equity	**127,830**		*55,9%*	**130,468**		***60,6%***
LIABILITIES						
Financial liabilities	22,916		*10,0%*	15,709		*7,3%*
Deferred tax liabilities	2,708		*1,2%*	2,762		*1,3%*
Employee benefits	555		*0,2%*	524		*0,2%*
Provisions for risks and charges	2,354		*1,0%*	1,356		*0,6%*
Other financial liabilities	11,078		*4,8%*	9,457		*4,4%*
Total non-current liabilities	**39,611**		*17,3%*	**29,808**		***13,8%***
Financial liabilities	23,599		*10,3%*	23,788		*11,0%*
Trade payables	29,632	(151)	*13,0%*	23,580		*10,9%*
Current tax liabilities	994		*0,4%*	772		*0,4%*
Provisions for risks and charges	0		*0,0%*	0		*0,0%*
Other liabilities	5,701		*2,5%*	5,591		*2,6%*
Other financial liabilities	1,389		*0,6%*	1,421		*0,7%*
Total current liabilities	**61,315**		*26,8%*	**55,152**		*25,6%*
TOTAL EQUITY AND LIABILITIES	**228,756**		*100,0%*	**215,428**		*100,0%*

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 March 2023

INCOME STATEMENT

(thousands of Euro)	**Q1 2023**	**Of which related parties**	**Q1 2022**	**Of which related parties**	**VAR.**
Revenue from sales	30,212	1,056	23,329	749	6,883
Cost of sales (*)	(19,850)		(15,423)		(4,427)
Gross operating profit	**10,362**		**7,906**		**2,456**
Sales and distribution costs (*)	(6,967)		(6,121)		(846)
General and administrative costs	(6,686)	(3)	(6,024)	(3)	(662)
Other non-operating costs/(revenue)	414		475		(61)
Operating profit/(loss)	**(2,877)**		**(3,764)**		**887**
Financial income	109		508		(399)
Financial expense	(845)		(453)		(392)
Gains/(losses) on exchange rates	(70)		31		(101)
Gains on equity investments	-		-		-
Profit/(loss) before taxes	**(3,684)**		**(3,678)**		**(6)**
Current and deferred taxes	1,255		1,051		204
Profit for the year before non-controlling interests	**(2,429)**		**(2,627)**		**198**
Profit for the year attributable to non-controlling interests	-		-		-
Profit (loss) for the year attributable to owners of the parent	**(2,429)**		**(2,627)**		**198**

(*) For the purpose of a better presentation of the company's results, the transport costs associated with material purchases were subdivided from transport on sales and classified under "*Cost of Sales*"; for consistency, the 2022 figures have been reclassified accordingly,

STATEMENT OF COMPREHENSIVE INCOME

(thousands of Euro)	**Q1 2023**	**Q1 2022**
Profit for the year attributable to owners of the parent	**(2,429)**	**(2,627)**
Other components of comprehensive income that will not be reclassified to P&L		
Actuarial gains (losses) on defined benefit plans	-	-
Actuarial gains (losses) on provisions for risks	-	-
Gains/(losses) on translation of foreign operations	(13)	95
Income taxes	-	-
Total other components of comprehensive income for the year	**(13)**	**95**
Total comprehensive income for the year	**(2,442)**	**(2,532)**

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 March 2023

CONSOLIDATED STATEMENT OF CASH FLOWS

(thousands of Euro)	**Q1 2023**	**Q1 2022**
Profit for the period	(2,429)	(2,628)
Current and deferred taxes	(1,255)	(1,050)
Amortisation, depreciation and write-downs	3,038	2,984
Net impairment losses and accruals	395	320
(Gains)/losses on equity investments	-	-
Accrued financial (income)/expense	807	423
Other non-monetary changes	34	12
Flow generated (absorbed) by operating activities before NWC	**590**	**61**
(Increase)/decrease in inventories	(6,206)	(7,545)
(Increase)/decrease in trade receivables	2,197	6,540
Increase/(decrease) in trade payables	6,051	(438)
Increase/(decrease) in other assets and liabilities	(6,365)	(329)
Payment of employee benefits and change in provisions	(50)	(49)
Cash flow generated (absorbed) by operating activities	**(3,784)**	**(1,761)**
Net financial charges paid	(807)	(251)
Income taxes paid/set off	(68)	(103)
Net cash flow generated (absorbed) by operating activities	**(4,658)**	**(2,115)**
Acquisition of subsidiary, net of cash acquired	(4,421)	-
(Purchase)/Disposal of property, plant and equipment and assets and right of use	(625)	(4,405)
Cash flows generated (absorbed) by investing activities	**(5,046)**	**(4,405)**
Other financial assets and liabilities and other lenders	3,120	3,195
(Dividends/reserves distributed)	-	-
Other changes to equity	-	-
Increase (Decrease) in payables to banks	6,995	5,000
Payment of transaction costs relating to financial liabilities	23	-
Net cash flows generated by (used in) financing activities	**10,137**	**8,195**
Increase/(decrease) in cash and cash equivalents	**433**	**1,675**
Effect of exchange rate fluctuation	(13)	98
Total cash flow	**420**	**1,773**
Opening cash and cash equivalents	**9,916**	**8,138**
Closing cash and cash equivalents	**10,335**	**9,911**

ANNEX B

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(thousands of Euro)	**Q1 2023**	**Of which related parties**	**% of revenue**	**Q1 2022**	**Of which related parties**	**% of revenue**
Revenue from sales	30,212	1,056	*100%*	23,329	749	*100,0%*
Cost of sales	(19,850)		*-65,7%*	(15,423)		*-66,1%*
Gross operating profit	**10,362**		***34,3%***	**7,906**		***33,9%***
Sales and distribution costs	(6,967)		*-23,1%*	(6,121)		*-26,2%*
General and administrative costs	(6,686)	(3)	*-22,1%*	(6,024)	(3)	*-25,8%*
Other non-operating (expense)/revenue	414		*1,4%*	475		*2,0%*
Operating profit/(loss)	**(2,877)**		***-9,5%***	**(3,764)**		***-16,1%***
* of which PPA depreciation	1,617		*5,4%*	1,607		*6,9%*
* of which non-recurring expense/(revenue)	344		*1,1%*	199		*0,9%*
* of which operating foreign exchange gains/(losses)	(9)		*0,0%*	2		*0,0%*
Adjusted operating profit/loss (Adjusted EBITDA)	**(925)**		***-3,1%***	**(1,956)**		***-8,4%***
* of which depreciation and amortisation (excluding PPA amortisation)	1,421		*4,7%*	1,377		*5,9%*
Adjusted EBITDA	**496**		***1,6%***	**(579)**		***-2,5%***
Financial income	109		*0,4%*	508		*2,2%*
Financial expense	(845)		*-2,8%*	(453)		*-1,9%*
Foreign exchange gains/(losses)	(70)		*-0,2%*	31		*0,1%*
Gains on equity investments	0		*0,0%*	0		*0,0%*
Profit/(loss) before taxes	**(3,684)**		***-12,2%***	**(3,678)**		***-15,8%***
* of which PPA depreciation	1,617		*5,4%*	1,612		*6,9%*
* of which non-recurring expense/(revenue)	344		*1,1%*	199		*0,9%*
* of which fair value impact on the warrant and put&call	0		*0,0%*	-		*0,0%*
Adjusted profit/loss before taxes	**(1,723)**		***-5,7%***	**(1,867)**		***-8,0%***
Current and deferred taxes	1,255		*4,2%*	1,051		*4,5%*
Profit for the year attributable to owners of the parent	**(2,429)**		***-8,0%***	**(2,627)**		***-11,3%***
* of which PPA depreciation	1,617		*5,4%*	1,612		*6,9%*
* of which non-recurring expense/(revenue)	344		*1,1%*	199		*0,9%*
* of which fair value impact on the warrant	0		*0,0%*	0		*0,0%*
* of which tax effect on the above items	(539)		*-1,8%*	(498)		*-2,1%*
Adjusted profit (loss) for the period attributable to owners of the parent	**(1,006)**		***-3,3%***	**(1,314)**		***-5,6%***